

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:)
ATARI, INC., et al.,) Chapter 11
Reorganized Debtors.¹) Case No. 13-10176 (RG)
) (Jointly Administered)
)

**ORDER GRANTING APPLICATIONS FOR ALLOWANCE OF
INTERIM AND FINAL COMPENSATION AND REIMBURSEMENT OF EXPENSES**

Upon consideration of the applications (each, an “*Application*” and together, the “*Applications*”) for (a) interim allowance of compensation for professional services rendered and reimbursement of actual and necessary expenses incurred during the period from September 1, 2013 through and including December 24, 2013 (the “*Final Fee Period*”) and (b) final allowance of compensation for professional services rendered and reimbursement of actual and necessary expenses incurred during the period from January 21, 2013 through and including December 24, 2013 (the “*Entire Compensation Period*”² and, together with the Final Fee Period, the “*Compensation Period*”) filed by the professionals listed on Schedule A and Schedule B annexed hereto (each, a “*Professional*” and together, the “*Professionals*”); and notice having been given pursuant to Federal Rule of Bankruptcy Procedure 2002(a)(7) and (c)(2), the *Order Establishing Notice and Service Procedures* [Docket No. 38], and the *Order Establishing Procedures for Interim Monthly Compensation and Reimbursement of Expenses of Professionals*

¹ The “*Reorganized Debtors*” (and before the effective date of the Plan (as defined herein), the “*Debtors*”) are Atari, Inc., Atari Interactive, Inc., Humongous, Inc. and California U.S. Holdings, Inc.

² The period for which Akin Gump Strauss Hauer & Feld LLP (“*Akin Gump*”) seeks compensation and reimbursement is February 6, 2013 through December 24, 2013. The period for which Cooley LLP (“*Cooley*”) seeks compensation and reimbursement is February 8, 2013 through December 24, 2013. The period for which Duff & Phelps Securities, LLC (“*Duff & Phelps*”) seeks compensation and reimbursement is February 11, 2013 through December 24, 2013. The period for which Marks Paneth & Shron LLP (“*Marks Paneth*”) seeks compensation and reimbursement is August 6, 2013 through December 24, 2013. The period for which Perella Weinberg Partners LP (“*PWP*”) seeks compensation and reimbursement is January 31, 2013 through December 24, 2013. Pursuant to section 5.1(c) of the Plan, fees incurred after December 24, 2013 may be paid by the Reorganized Debtors in the ordinary course of business and without any further notice to or action, order, or approval of the Court.

[Docket No. 81] (the “***Interim Compensation Order***”) and section 5.1 of the *Debtors’ Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [Docket No. 379] (the “**Plan**”); and the *Objection of the Reorganized Debtors to the Third Interim and Final Fee Application of Akin Gump Strauss Hauer & Feld LLP for Compensation and for Reimbursement of Expenses for the Services Rendered During the Period February 6, 2013 Through December 24, 2013* [Docket No. 562] having been withdrawn and no other objections having been timely filed and therefore, pursuant to section 5.1(a) of the Plan, a hearing on the Applications having not been necessary for the Court to consider the Applications; and sufficient cause having been shown therefor,

IT IS HEREBY ORDERED THAT:

1. The Applications are granted on a final basis to the extent set forth in **Schedule A** and **Schedule B** attached hereto.
2. Compensation for professional services rendered during the Compensation Period is hereby allowed on a final basis in the amounts set forth on **Schedule B** in the column entitled “Fees Allowed for the Compensation Period”.
3. Reimbursement for expenses incurred during the Compensation Period is hereby allowed on a final basis in the amounts set forth on **Schedule B** in the column entitled “Expenses Allowed for the Compensation Period”.
4. The Reorganized Debtors are authorized and directed to promptly pay the fees and expenses allowed for each Professional, in the amounts set forth on **Schedule B** in the columns entitled “Fees Allowed for the Compensation Period” and “Expenses Allowed for the Compensation Period” less any amounts previously paid, and subject to and in accordance with

the terms of that certain Deferred Payment Agreement (the “**Deferred Payment Agreement**”)³ entered into as of the Effective Date by and among the Debtors and Akin Gump, Cooley, Duff & Phelps, Protiviti, Inc. (“**Protiviti**”) and PWP (collectively, the “**DPA Professionals**”). The Reorganized Debtors are also authorized and directed to promptly release the funds held in the Professional Fee Escrow Account (as defined in the Plan) in satisfaction of such fees and expenses; *provided, however,* that in addition to the amounts allocated for Akin Gump in the Professional Fee Escrow Account, upon the entry of this Order, the Reorganized Debtors shall promptly pay Akin Gump \$25,000.00 in satisfaction of its allowed fees and expenses.

5. The Court shall retain jurisdiction to hear and determine all matters arising from or related to this Order.

Dated: New York, New York
May 16, 2014

s/ Robert E. Grossman
Honorable Robert E. Grossman
United States Bankruptcy Judge

³ Pursuant to the Deferred Payment Agreement, the DPA Professionals agreed that the Reorganized Debtors may defer payment of a portion of the DPA Professionals’ fees and expenses incurred during the Compensation Period in the amounts specified for each DPA Professional in Schedule 1 to the Deferred Payment Agreement until the earliest to occur of (i) the occurrence of a Liquidity Event (as defined in the Deferred Payment Agreement), (ii) October 1, 2014 and (iii) a breach, repudiation or denial by the Reorganized Debtors or Atari S.A. of any term or provision of the Deferred Payment Agreement; *provided* that in the event of any such breach, the Reorganized Debtors and/or Atari S.A., as applicable, shall, upon becoming aware of such breach, provide written notice of such breach to the affected DPA Professional(s) within five (5) days from the date of becoming aware of such breach, and shall have fifteen (15) days from the date of delivery of such notice, to cure such breach to the reasonable satisfaction of the affected DPA Professional(s).

CASE NO.: 13-10176 (JMP)

CASE NAME: IN RE ATARI, INC., ET AL.

FINAL FEE PERIOD: SEPTEMBER 1, 2013 THROUGH DECEMBER 24, 2013

Applicant	Date / Docket No. of Application	Fees Requested for the Final Fee Period	Fees Allowed for the Final Fee Period	Fees to be Paid for the Final Fee Period ¹	Fees to be Paid from Prior Compensation Periods	Total Fees to be Paid for the Final Fee Period	Expenses Requested for the Final Fee Period	Expenses to be Paid for the Final Fee Period ²
Akin Gump	January 24, 2014 [Docket No. 535]	\$709,490.00	\$671,593.41 ³	\$504,727.41 ⁴	\$0.00	\$504,727.41	\$10,820.21	\$10,226.59
Cooley	January 24, 2014 [Docket No. 532]	\$106,235.50	\$106,235.50	\$79,330.30	\$130,048.26 ⁵	\$209,378.56	\$724.95	\$509.04
Duff & Phelps ⁶	January 24, 2014 [Docket No. 533]	\$207,339.63	\$207,339.63	\$47,339.63	\$53,642.86 ⁷	\$100,982.49	\$7,279.09	\$778.80
Frank, Rimerman & Co. LLP ("Frank Rimerman") ⁸	January 24, 2014 [Docket No. 536]	\$70,495.00	\$70,495.00	\$70,495.00	\$0.00	\$70,495.00	\$4,259.00	\$4,259.00
Marks Paneth ⁹	January 24, 2014 [Docket No. 537]	\$19,250.00	\$19,250.00	\$3,850.00	\$0.00	\$3,850.00	\$0.00	\$0.00

¹ Pursuant to the Interim Compensation Order, certain of the Professionals were paid a portion of their fees during the Final Fee Period. The following amounts represent the balance of each such Professional's fees outstanding for the Final Fee Period.

² Pursuant to the Interim Compensation Order, certain of the Professionals were paid a portion of their expenses during the Final Fee Period. The following amounts represent the balance of each such Professional's expenses outstanding for the Final Fee Period.

³ This amount reflects a voluntary reduction by Akin Gump of \$37,896.59 in fees incurred during the Final Fee Period based on the discussions between Akin Gump and the Reorganized Debtors. At the request of the Reorganized Debtors, Akin Gump has also agreed not to seek payment of any outstanding fees and expenses incurred for services performed by Akin Gump following the Effective Date.

⁴ This amount reflects a payment of \$166,866.00 made to Akin Gump by the Debtors on account of Akin Gump's Eighth Monthly Fee Statement and the voluntary reduction of \$37,896.59 referenced in footnote 3 above.

⁵ This amount reflects fees from Cooley's First Interim Application (as defined in Cooley's Application) that were subject to the objection of Alden Global Value Recovery Master Fund, L.P. and the Debtors' joinder thereto, which objections were deemed withdrawn by operation of the Plan.

⁶ This is Duff & Phelps' second interim and final request for allowance of fees and reimbursement of expenses. Accordingly, "Final Fee Period" in this Schedule A for Duff & Phelps shall mean the period from May 1, 2013 through December 24, 2013. At the request of the Debtors, Duff & Phelps agreed to cap its fees and expenses for the chapter 11 cases at an aggregate amount of \$350,000.00.

⁷ This amount reflects fees from Duff & Phelps' First Interim Application (as defined in Duff & Phelps' Application) that were subject to the objection of Alden Global Value Recovery Master Fund, L.P. and the Debtors' joinder thereto, which objections were deemed withdrawn by operation of the Plan.

⁸ This application is Frank Rimerman's first interim and final request for allowance of fees and reimbursement of expenses. Accordingly, "Final Fee Period" in this Schedule A for Frank Rimerman shall mean the period from January 21, 2013 through December 24, 2013. Frank Rimerman has agreed to voluntarily reduce its fees by \$4,000.00.

⁹ This application is Marks Paneth's first request for allowance of fees and reimbursement of expenses. Accordingly, "Final Fee Period" in this Schedule A for Marks Paneth shall mean the period from August 6, 2013 through December 24, 2013.

DATE ON WHICH ORDER WAS SIGNED: 5/16/14

INITIALS: RG, USBJ

CASE NO.: 13-10176 (JMP)**CASE NAME: IN RE ATARI, INC., ET AL.**

PWP	January 24, 2014 [Docket No. 538]	\$900,000.00 ¹⁰	\$900,000.00	\$900,000.00	\$0.00	\$900,000.00	\$146.00	\$146.00
Protiviti	January 24, 2014 [Docket No. 539]	\$125,526.00	\$125,526.00	\$91,569.70	\$0.00	\$91,569.70	\$2,053.07	\$2,009.37

¹⁰ This amount reflects a \$400,000.00 credit toward PWP's "Initial Transaction Fee" in accordance with the terms of its engagement letter with the Debtors. In addition, at the request of the Debtors, PWP agreed to voluntarily reduce its Initial Transaction Fee by \$100,000.00.

DATE ON WHICH ORDER WAS SIGNED: 5/16/14

INITIALS: RG, USBJ

CASE NO.: 13-10176 (JMP)

CASE NAME: *IN RE ATARI, INC., ET AL.***COMPENSATION PERIOD: PROFESSIONALS' RESPECTIVE RETENTION DATES THROUGH DECEMBER 24, 2013**

APPLICANT	Fees Requested for the Compensation Period	Fees Allowed for the Compensation Period	Expenses Requested for the Compensation Period	Expenses Allowed for the Compensation Period
Akin Gump ¹	\$3,374,994.00	\$3,331,196.93 ²	\$60,471.50	\$60,471.50
Cooley ³	\$1,031,680.00	\$1,031,680.00	\$10,744.05	\$10,744.05
Duff & Phelps ⁴	\$339,482.49	\$339,482.49	\$10,517.51	\$10,517.51
Frank Rimerman ⁵	\$70,495.00	\$70,495.00	\$4,259.00	\$4,259.00
Marks Paneth	\$19,250.00	\$19,250.00	\$0.00	\$0.00
PWP ⁶	\$1,600,000.00	\$1,600,000.00	\$19,937.00 ⁷	\$19,937.00
Protiviti ⁸	\$793,323.60	\$793,323.60	\$38,701.00	\$38,701.00

¹ The amounts requested by Akin Gump for the Compensation Period include \$233,029.00 in fees and expenses, the payment of which is deferred pursuant to the Deferred Payment Agreement.

² This amount reflects voluntary reductions by Akin Gump of (a) \$5,900.48 in fees incurred during the period February 6, 2013 through February 28, 2013, at the request of the Debtors and (b) \$37,896.59 in fees incurred during the Final Fee Period based on the discussions between Akin Gump and the Reorganized Debtors.

³ The amounts requested by Cooley for the Compensation Period include \$71,037.00 in fees and expenses the payment of which is deferred pursuant to the Deferred Payment Agreement.

⁴ The amounts requested by Duff & Phelps for the Compensation Period reflect a reduction in the amount of \$42,660.37 agreed to by Duff & Phelps, and include \$24,284.00 in fees and expenses the payment of which is deferred pursuant to the Deferred Payment Agreement.

⁵ The amounts requested by Frank Rimerman for the Compensation Period reflect a reduction in fees in the amount of \$4,000, which Frank Rimerman has agreed to provide to the Debtors in connection with its Final Fee Application.

⁶ The fees requested by PWP for the Compensation Period reflect a credit in amount of \$500,000.00 toward PWP's "Initial Transaction Fee", and include \$254,579.00 in fees and expenses the payment of which is deferred pursuant to the Deferred Payment Agreement.

⁷ This amount reflects \$6,194.00 in expenses for the first interim fee period, which amount remains outstanding.

⁸ The amounts requested by Protiviti for the Compensation Period reflect a reduction in fees in the amount of \$10,000.00, which Protiviti had agreed to provide to the Debtors in connection with its first interim fee application, and include \$22,830.00 in fees and expenses the payment of which is deferred pursuant to the Deferred Payment Agreement.

DATE ON WHICH ORDER WAS SIGNED: 5/16/14

INITIALS: RG, USBJ